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UM Board of Curators approves FY 2013 budget

More than \$35 million in cost-saving and revenue-enhancement activities achieved to balance the budget

University of Missouri Board of Curators today approved the Fiscal Year 2013 budget that includes \$35.3 million in cost-saving and revenue enhancement activities required to balance the budget.

“Balancing a budget is about making difficult choices,” said University of Missouri Board of Curators Chair David Bradley. “While our new budget invests 8 percent—or \$12 million more in student aid to support student access, affordability and completion to graduation—it also includes position eliminations, program consolidations and eliminations, and reductions in planned investments in several areas. These decisions are never easy, but for us to achieve our mission, we need to invest in our future and stop spending in areas that are no longer strategic.”

Actions taken to balance the budget include:

- Revenue enhancements through auxiliary full costing, gifts, fund balances and shift in expense sourcing to special fees: \$9.7 million
- Salary savings from vacant or eliminated positions: \$11.5 million
- Program reductions, consolidations and planned initiatives: \$8.1 million
- Reductions in funding auxiliaries, research and other operational costs: \$4.4 million
- Financial aid management: \$1.6 million

Three guiding principles were used in making the reductions, Wolfe said: maintaining and enhancing the quality of the student academic experience is the highest priority; budget reductions and increases should be consistent with the vision and strategic priorities in the campus and system strategic plans; and decisions should be made based on what the university will continue to do well in the future with available resources—as well as what we can no longer continue to do.

“The University of Missouri System has continued to operate very efficiently for the past decade, but at the point where the quality of your mission is in jeopardy, it is no longer a badge of honor to do more with less,” Wolfe said. “In an era of diminishing or at best flat resources, we must ensure that our budget is aligned with the strategic objectives of the university that are most critical to our mission of teaching, research, service and economic development.”

Wolfe said the university will be positioned to use the \$26 million in funds identified through cost-savings in the budget bill approved by the General Assembly and signed by the Governor for strategic initiatives in the following areas:

- Maintenance, repair, renovation and adaption of facilities focused in STEM areas
- Recruitment and retention of faculty and staff
- Support for student access and affordability through scholarships
- Focus on the student experience, success and degree completion on time by decreased class size, increased academic advising and student success programs
- Seed funding to support student entrepreneurship and commercialization of intellectual property from student innovation

“At the end of the day, we are a people-driven institution focused on providing a quality, affordable, accessible education to all Missourians,” Wolfe said. “The success of our students—and ultimately the welfare of our state—depends on how well we carry out our mission. Our campuses and the system demonstrated their leadership by making difficult decisions to ensure that our precious resources are aligned with these mission areas.”

About the FY13 budget:

The FY13 total revenue budget of the university is approximately \$2.8 billion. Expenditures are projected at \$2.7 billion and will include increases to the salary and wage budgets of between 1-2 percent on the campuses with individual awards based on merit and special salary needs such as promotion, tenure and the market. In addition,

benefit costs for the medical and retirement plans will increase by 2 percent of benefit-eligible salaries.

The university's operating budget, which is where the majority of the university's instructional and public service activities are budgeted and accounted for, totals \$1.1 billion.